

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

| | | |
|---------------------------|---|--------------------|
| IN RE: HIGH-TECH EMPLOYEE |) | |
| |) | |
| ANTITRUST LITIGATION |) | |
| |) | Master Docket |
| THIS DOCUMENT RELATES TO: |) | No. 11-CV-2509-LHK |
| |) | |
| ALL ACTIONS |) | |

VIDEO DEPOSITION OF RENEE JAMES

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

March 22, 2013

Reported by: Teresa L. Dunn, CSR No. 00-0367

1 levels? So, for example, is there a salary range for a
2 grade level 10 and a 11 and a 12 and a 13?

3 A. As I said, they're very wide bands so they
4 range from -- they overlap so it is not
09:26:04 5 strictly -- they don't correlate one to one.

6 Q. Okay. And so if I'm understanding you
7 correctly the bottom of the range for a 11 doesn't
8 start where the top of 10 ends?

9 A. Correct.

09:26:17 10 Q. Is that what you are trying to --

11 A. That's what I'm trying to explain, yes.

12 Q. Okay. But is it fair to say that for each
13 job -- strike that.

14 Is it fair to say that each Intel person is
09:26:34 15 assigned to a job which is associated with a job level?

16 A. Everybody has a grade, a job grade. If by
17 level you mean the grade?

18 Q. Right.

19 A. That's what we call it. If you mean grade,
09:26:49 20 numerical grade, the answer is yes.

21 Q. And there's a salary range for each of those
22 grades?

23 A. Again, I caution because the salary ranges are
24 broad and they're only indicators. They're not
09:26:59 25 absolutes.

1 Q. Do you have or have you had responsibility for
2 setting compensation for people that report up to you
3 in your organization?

4 A. I have collaborative, I will say that,
09:27:15 5 compensation setting for only my direct reports which
6 is to say I don't set it. I advise if it needs
7 adjustments.

8 Q. Okay. So let me kind of unpack that. So how
9 many direct reports do you have?

09:27:31 10 A. Twelve.

11 Q. Twelve?

12 A. Yes.

13 Q. Okay. And it is fair to say that there are a
14 number of other people who report up to you in your
09:27:39 15 organization?

16 A. That's true.

17 Q. What's your role with respect to setting
18 compensation for them?

19 A. I have really no role at all.

09:27:46 20 Q. Okay. Who sets the compensation for them?

21 A. Compensation is set by a combination of the
22 comp committee of Intel, the board, and the human
23 resources department.

24 And they make a recommendation to management
09:28:05 25 and we use a pretty elaborate on-line system that makes

1 recommendations based on performance as measured each
2 year, the performance of the employee.

3 Q. Okay. So I think you said that the comp
4 committee is involved in that as well as the human
09:28:22 5 resource department; is that right?

6 A. Right, uh-huh.

7 Q. First, could you tell me what the role of the
8 comp committee is in that process?

9 A. I don't think I know their detailed role, just
09:28:32 10 generally speaking they approve the budget for our
11 overall compensation.

12 Q. And when you say "the comp committee," is this
13 a high-level committee at Intel? Are these senior
14 people at Intel?

09:28:43 15 A. I don't know all of the members of the
16 compensation committee of the board. I certainly know
17 the board members.

18 Q. Have you ever been on the comp committee?

19 A. No, I have not.

09:28:53 20 Q. For example, does Mr. Otellini serve on the
21 comp committee?

22 A. I don't know.

23 Q. Okay. So that's the comp committee and
24 do -- on a -- let me do it this way, is there a regular
09:29:13 25 cycle for setting compensation at Intel? Is it an

1 annual cycle? Semiannual?

2 A. We have an annual review cycle at Intel.

3 Q. Is that called the focal process?

4 A. Yes, it is.

09:29:27 5 Q. Does the focal process produce -- ordinarily
6 produce changes in compensation on an annual basis?

7 A. The focal process is annual. It has an annual
8 budget. It does not produce a change annually.

9 Q. Okay.

09:29:50 10 A. The change is based on performance, promotion.

11 Q. Well, I guess what I'm trying to get at is at
12 Intel, for example, if someone is performing
13 satisfactorily and moving up through the ranks, does a
14 person receive an increase in compensation or an
09:30:14 15 adjustment in compensation once a year?

16 A. No, they do not.

17 Q. Okay. How many times a year?

18 A. If they're going to receive one it is
19 ordinarily once a year, but being a satisfactory

09:30:26 20 employee does not guarantee you any compensation
21 movement.

22 We have a philosophy of pay for performance
23 which means that being an average performer in a
24 certain year in a tight budgetary year does not mean
09:30:38 25 you are necessarily going to get an increase.

1 in a very obscure part of Russia and in another couple
2 of other very, very, very rare skill-sets in specific
3 areas.

4 Q. And those other skill-sets, were they people
09:51:31 5 also in Russia or were they in the United States?

6 A. They were all over the world, predominantly
7 Russia, China, and the United States.

8 Q. And what was the skill-sets?

9 A. They varied, but they were compilation skills
09:51:47 10 and some of the more, I don't know how to characterize
11 it, extraordinarily rarified type of computer science.

12 Q. And were these people that worked with Intel's
13 compilers?

14 A. They worked not only with the compilers, but
09:52:01 15 the operating systems and some of the other, but, yes.

16 Q. Okay. Were these people -- were some of these
17 people based in the United States, though?

18 A. Yes, some of them were.

19 Q. In the San Francisco Bay area?

09:52:13 20 A. Yes.

21 Q. And did you lose some of them to Google?

22 A. We lost many of them to Google.

23 Q. Did you lose any of them to VMware?

24 A. I don't remember that we -- I don't recall
09:52:32 25 that.

1 Q. Other than Google can you recall or identify
2 particular companies that were ones where you were
3 losing these people to during that abnormal period?

4 A. No, I don't remember any other companies, no.

09:52:50 5 Q. So, again, maybe I asked this, but let me make
6 sure, when you were trying to fill job -- open job
7 requisitions and you were working with the human
8 resource folks to do that did you ever identify for
9 them companies to target for their recruiting efforts?

09:53:25 10 A. I don't remember that I did. I really don't.

11 Q. Now, organizationally was the recruiting
12 department within the HR department?

13 A. That's my understanding.

14 Q. Were there particular people you would
09:53:44 15 identify as the chief recruiters with whom you worked?

16 A. Boy, you know, again, I didn't do a lot of
17 this work directly and I don't really know any of the
18 names of the people. I can't think of any of them.

19 Q. Now, we talked a few minutes ago about salary
09:54:10 20 ranges associated with new job requisitions?

21 A. Uh-huh.

22 Q. Do you know if Intel in setting those or
23 determining those ranges looked at market data? When I
24 say market data I mean data regarding compensation or
09:54:26 25 compensation levels paid by other technology companies,

1 for example, or other companies in the marketplace.

2 A. Yes, I believe they did do that and they would
3 share some of it with us in limited ways.

4 Q. Okay. Do you know what -- first, do you know
09:54:42 5 what the sources of that data were?

6 A. I do not.

7 Q. Well, are you aware that there are companies
8 that provide survey data on compensation rates in the
9 market?

09:54:55 10 A. Yes, I am aware of that.

11 Q. Okay. Are you familiar with or have you heard
12 names like Radford that provide market compensation
13 surveys?

14 A. Yes, I have.

09:55:06 15 Q. Or Croner?

16 A. No.

17 Q. Do you know if Intel used Radford market
18 survey data in determining salary ranges for jobs?

19 A. I don't know.

09:55:20 20 Q. Okay. Were you ever provided Radford data?

21 A. I don't know. I don't think I knew the source
22 of the data of what I saw.

23 Q. Well, the data that talked about it was it --
24 did it take the form of survey data?

09:55:32 25 A. It was a form of market survey and comparative

1 to a basket of technology companies kind of thing.

2 Q. Did Intel benchmark its compensation against
3 other technology companies to the best of your
4 knowledge?

09:55:47 5 A. I don't know how they did it actually. I
6 mean, again, I saw market basket kind of top tech, top.

7 Q. Do you know if Intel received that data from
8 surveys or directly from the other technology
9 companies?

09:56:02 10 A. I do not know.

11 Q. Okay. Did Intel to the best of your knowledge
12 have any kind of benchmarking goals with respect to
13 setting compensation levels, for example, we want to
14 pay 50 percent of a competitive benchmark or 60 percent
09:56:21 15 of a competitive benchmark across the board or for
16 particular jobs?

17 A. I don't know what their -- I don't know that
18 detail.

19 Q. Okay. So, for example, there was a period of
09:56:36 20 time I think you identified a few minutes ago where, in
21 fact, your group was losing people to Google?

22 A. Yes.

23 Q. And did Intel raise its compensation for
24 people they thought were targets of Google's recruiting
09:56:51 25 efforts in order to retain them?

1 people how to use the tool.

2 Q. And was there a tool that was available -- an
3 electronic tool that was available at Intel for
4 managing offers to prospective employees?

16:28:02 5 A. Based on this document I believe so.

6 Q. And was that a tool that you had access to?

7 A. It is not something I have access to.

8 Q. Was this a tool that your reports had access
9 to?

16:28:15 10 A. I don't think so. I think this is a staffing
11 only tool.

12 Q. And so was this --

13 A. Human resources.

14 Q. Was this a tool developed and used by people
16:28:25 15 within the HR department?

16 A. That's what I believe.

17 Q. Let me just ask you a couple of questions
18 about this. Throughout this document there are a
19 couple of references to PeopleSoft. Do you see that?

16:28:42 20 A. Yes, I saw that.

21 Q. Do you know what that reference is to?

22 A. Well, I know what PeopleSoft is.

23 Q. Okay. What is PeopleSoft?

24 A. It was an independent company that ran HR
16:28:55 25 programs, software programs like these which was

1 acquired by Oracle -- by Oracle.

2 Q. Did Intel use or run PeopleSoft applications
3 in its HR department for use in managing the process of
4 recruiting or extending offers or calculating
16:29:18 5 compensation?

6 A. I don't know, but the document implies that we
7 did.

8 Q. So let me just ask you is that -- in doing
9 your job did you access that application?

16:29:36 10 A. Never.

11 Q. Do you know if people who reported to you did?

12 A. No, I don't think so.

13 Q. On page 8 -- there are a lot of steps in this
14 process.

16:30:01 15 A. There are, I agree with that.

16 Q. Let me ask you about Step 14 --

17 A. Okay.

18 Q. -- Internal Equity. Do you see that?

19 A. Yes, I do.

16:30:09 20 Q. Have you heard the term "internal equity" used
21 for purposes or with respect to compensation?

22 A. Yes.

23 Q. What do you understand it to mean?

24 A. A set of criteria that we use to in aggregate
16:30:26 25 check between different people in the same grade band

1 across a variety of different metrics, performance,
2 pay, equity.

3 Q. Now, if you look at Step 14 it says, For
4 experienced hires the candidate profile pay guidelines
16:30:48 5 and internal equity are the main pieces of information
6 used to compute the base salary.

7 Do you see that?

8 A. Uh-huh.

9 Q. Is that consistent with your understanding of
16:30:56 10 the practice at Intel?

11 A. Candidate profile, I don't know what the
12 candidate profile is. Pay guidelines, yes, pay
13 guidelines I understand. Internal equity is
14 information.

16:31:17 15 I think the candidate profile I believe is the
16 piece that's important beyond those two things because
17 it depends on the, you know, experience level, what
18 their current salary ranges are in their current job,
19 that kind of thing.

16:31:36 20 Q. Okay. Are you saying that pay guidelines and
21 internal equity are not pieces of information used to
22 compute base salary?

23 A. No, they are used. They are used, but it
24 depends on all of those factors in aggregate that you
16:31:51 25 look at.

1 Q. Okay. And the next sentence says, Internal
2 equity is defined as a fairness criteria in comparing
3 comparable Intel jobs using education, experience,
4 skill level, performance, and timing of next review
16:32:07 5 period.

6 Do you see that?

7 A. Yes.

8 Q. Is that -- based on your experience at the
9 company is that an accurate description of how the
16:32:19 10 concept of internal equity was used at Intel?

11 A. Well, internal equity is used at Intel past
12 and present tense. I distinguish the use of it for
13 comparable jobs inside the company versus experienced
14 hiring. Those are different cases.

16:32:49 15 In comparable jobs inside of the company it is
16 a guideline to help people understand across certain
17 ranges what the collective pool of employees are doing.

18 Q. Did you think maintaining at some general
19 level principles of internal equity across the
16:33:09 20 workforce at Intel was an important goal?

21 A. I think internal equity is aspirational. I
22 think it is a guideline that helps you look at, you
23 know, apples and oranges data and give you a sense of
24 what's going on, but we focus on pay for performance.

16:33:40 25 So the number one criteria is performance and

1 performance to grade, performance versus peers,
2 performance versus the market. So I would call
3 internal equity a secondary or tertiary tool.

4 Q. This says, Internal equity is used to
16:34:10 5 determine wage rates for new hires and current
6 employees that correspond to each job's relative value
7 to Intel.

8 Do you see that?

9 MR. PICKETT: His question is do you see that?

16:34:24 10 Q. (By Mr. Saveri) I just wanted to make sure you
11 are with me on that paragraph.

12 A. Yes, I see that.

13 Q. Does that accurately summarize one use of
14 internal equity at Intel with respect to setting
16:34:40 15 compensation?

16 A. I think it summarizes it in the broad sense.
17 It is not the only way that this is done.

18 Q. Okay. If you look at the last page of the
19 document there's a Revision History. Do you see that?

16:35:13 20 A. Yes, I do.

21 Q. Do you know if this Revision History is the
22 revision history of the manual or of the underlying
23 application?

24 A. I do not know.

16:35:20 25 Q. And do you know any of these people?

1 A. I do not.

2 Q. Do you know if they work for Intel?

3 A. I don't.

4 Q. Okay. You can put that document aside. Let

16:35:51 5 me hand you what's been marked as 168. I'm sorry.

6 This is the Competitive Impact Statement.

7 A. Okay. This is different than --

8 Q. I believe I showed you earlier the Final

9 Judgment.

16:36:12 10 A. You did show me the Final Judgment.

11 Q. And so this is a different document.

12 MR. PICKETT: But they repeat each other.

13 THE WITNESS: They do so that's why --

14 MR. PICKETT: So it is -- it includes a lot of

16:36:22 15 the Final Judgment.

16 MR. SAVERI: That is absolutely the truth.

17 THE WITNESS: I'm clarifying because it looks

18 very similar so I wanted to make sure if I have seen a

19 different document. Okay.

16:36:40 20 Q. (By Mr. Saveri) And I will grant Mr. Pickett's

21 comment about the redundancy between the two documents,

22 but I really just want to ask you a couple of questions

23 about the portion of the document on page 5 that talks

24 about the Google-Intel Agreement, but take whatever

16:37:02 25 time you need to review the document.

1 A. Whoever the account manager is usually takes
2 the notes of the meeting.

3 Q. Okay. And you had business review meetings
4 and other meetings from time to time with Paul

16:53:18 5 Otellini, correct?

6 A. Yes, I do.

7 Q. And did you keep notes of those meetings?

8 A. Actually, I do not keep notes.

9 Q. Were notes taken of those?

16:53:27 10 A. Very rarely. Finance usually will produce the
11 action items, not notes, but just what the follow-up
12 items are out of those meetings.

13 MR. SAVERI: All right. I don't have any
14 further questions. Thank you very much.

16:53:40 15 MR. PICKETT: Thank you.

16 (Deposition concluded at 4:55 p.m.)

17 (Signature reserved.)

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1 C E R T I F I C A T E

2

3 I, Teresa L. Dunn, a Certified Shorthand
4 Reporter for Oregon, do hereby certify that, pursuant
5 to stipulation of counsel for the respective parties
6 hereinbefore set forth, RENEE JAMES personally appeared
7 before me at the time and place set forth in the
8 caption hereof; that at said time and place I reported
9 in Stenotype all testimony adduced and other oral
10 proceedings had in the foregoing matter; that
11 thereafter my notes were reduced to typewriting under
12 my direction; and that the foregoing transcript, pages
13 1 to 258, both inclusive, constitutes a full, true and
14 accurate record of all such testimony adduced and oral
15 proceedings had, and of the whole thereof.

16 Witness my hand and CSR stamp at Vancouver,
17 Washington, this 29th day of March, 2013.

18

19

TERESA L. DUNN
Certified Shorthand Reporter
Certificate No. 00-0367

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1 RENE E JAMES

2 I have read the transcript of the deposition taken on
3 March 22, 2013, at Portland, Oregon, and make the
4 following changes:

5 PAGE LINE CHANGE(S) AND REASON FOR CHANGE(S)

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Subject to the foregoing changes, the transcript is
correct.

16

RENEE JAMES

17

18 Subscribed and sworn to before me this ____
day of _____, 2013.

19

20

Notary Public for the State
of _____
residing at _____
My Commission Expires: _____

21

22

Re: In Re: High-tech Employee Antitrust Litigation
US District Court No. 11-CV-2509-LHK
23 TLD

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